

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

In the Matter of	)	
	)	
Implementation of the	)	
Telecommunications Act of 1996:	)	CC Docket No. 96-115
	)	
Telecommunications Carriers' Use of	)	
Customer Proprietary Network Information	)	
and Other Customer Information	)	

Comments  
of the  
United States Telephone Association

The United States Telephone Association (USTA) respectfully submits its comments in response to the Common Carrier Bureau's Public Notice seeking further comment to supplement the record in the above referenced proceeding. USTA is the principal trade association of the exchange carrier industry. Its members provide over 98 percent of the exchange carrier provided access lines in the United States.

In this document, USTA will limit its comments to two particular area that address the obligations of all local exchange carriers.

(3) If a telecommunications carrier may disclose a customers' CPNI to a third party only pursuant to the customer's affirmative written request under Section 222(c)(2), must carriers, including interexchange carriers and independent local exchange carriers (LECs), treat their affiliates and other intracompany operating units (such as those that originate interexchange telecommunications services in areas where the carriers provide telephone exchange service and exchange access) as third parties for which customers' affirmative written requests must be secured before CPNI can be disclosed? Must the answer to this question be the same as the answer to question 2?

USTA does not believe that a telecommunications carrier's affiliates and other intracompany operating units should be treated as third parties for the purposes of CPNI disclosure.

In November of 1996, a representative national survey on issues relating to local telephone company use of CPNI information was conducted by Opinion Research Corporation of Princeton, New Jersey, and Dr. Alan F. Westin of Columbia University. One of the questions posed in this survey asked consumers when they are customers of a business -- such as a bank, department store, insurance company, or local telephone service -- do they consider it acceptable for this business to communicate with them periodically about new products or services or special discounts that may be of benefit to them. "Almost nine out of ten members of the public -- 88% -- said receiving such informational communications from businesses they patronize would be acceptable to them."<sup>1</sup> The survey results also show that almost two out of three members of the public find it acceptable for their local telephone companies to look over their customer records to extend to them additional services. This majority increases to 82% when they are offered a chance to "opt out."<sup>2</sup>

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<sup>1</sup> Public Attitudes Toward Local Telephone Company Use of CPNI, Report of a National Opinion Survey Conducted November 14-17, 1996, by Opinion Research Corporation, Princeton, NJ, and Prof. Alan F. Westin, Columbia University, sponsored by Pacific Telesis Group, p. 5.

<sup>2</sup> Id., pp.5-8.

(5) If sections 222(c)(1) and 222(c)(2) require customer approval, but not an affirmative written request, before a carrier may use, disclose, or permit access to CPNI, must each carrier, including interexchange carriers and independent LECs, disclose CPNI to unaffiliated entities under the same standard for customer approval as is permitted in connection with their affiliates and other intra-company operating units?

USTA does not believe the same standard should exist. When customers have an ongoing relationship with a company or corporation, they do not regard the affiliates of that company or corporation as they would a company with whom they have no relationship. In fact, to treat the affiliates of a company with whom a customer has a business alliance in the same manner as a company with whom a customer has no business relationship, could serve to confuse the customer. The vast majority of the nation's LECs have not been subjected to CPNI restrictions and have long enjoyed relationships with customers which permitted the discussion and offering of new services. A customer could be led to think that the relationship between a parent company and its affiliate had been severed if the company had to engage in a new and more formal process to talk to customers about "...services necessary to, or used in, the provision of such telecommunications service..."<sup>3</sup> it had previously been allowed to freely discuss. An alteration in business practices that had previously been acceptable to the customer could be not only confusing to the customer but damaging to the already existing business relationship between the customer and the company. An opt-out procedure -- one-time notification to the customer of his/her CPNI rights, the CPNI use contemplated by the carrier for which approval is required, and the customer's right to and the means to restrict such usage -- is legitimate, traditional, and suitable. The notice and opt-out procedure ensures customer privacy by limiting

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<sup>3</sup> Telecommunications Act of 1996, Section 222 (c)(1).

CPNI access to those who seek such limitations and enriches consumer choice to those who want information about new telecommunications services.

Respectfully submitted,

United States Telephone Association

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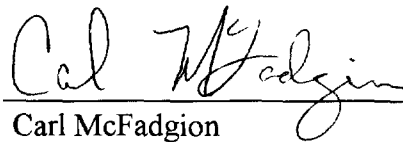
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March 17, 1997

**CERTIFICATE OF SERVICE**

I, Carl McFadgion, do certify that on March 17, 1997 copies of the Comments of the United States Telephone Association were either hand-delivered, or deposited in the U.S. Mail, first-class, postage prepaid to the person on the attached service list.

  
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